

House File 2528 - Introduced

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BY ISENHART

A BILL FOR

1 An Act providing for a best farming practices disclosure form
2 to be completed, signed, and filed by the parties to a farm
3 lease, and providing penalties.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 161A.3, Code 2022, is amended by adding
2 the following new subsections:

3 NEW SUBSECTION. 8A. "*Farm lease*" means an oral or written
4 lease including a lease described in chapter 562, if all of the
5 following apply:

6 a. The land subject to the lease is to be used for farming,
7 regardless of whether lease payments are on a fixed rent,
8 commodity share, or other basis.

9 b. A soil and water conservation practice could be
10 established on the land using cost-share moneys allocated
11 under section 161A.73, regardless of whether the commissioners
12 considered allocating cost-share moneys to establish a soil and
13 water conservation practice on the land.

14 NEW SUBSECTION. 15. "*Water quality practice*" means any
15 practice that limits sediment or nutrients from being conveyed
16 by surface water runoff or leaching, as identified in the Iowa
17 nutrient reduction strategy as defined in section 455B.171.

18 Sec. 2. NEW SECTION. 161A.67 **Farm lease — best farming
19 practices disclosure form.**

20 1. Before entering into a farm lease, the parties to
21 that lease shall complete and sign a best farming practices
22 disclosure form which shall be deemed to be an addendum to the
23 farm lease.

24 2. The best farming practices disclosure form shall include
25 all of the following:

26 a. A description of erosion control practices, soil and
27 water conservation practices, and water quality practices as
28 approved by the committee and established by rules adopted by
29 the department.

30 b. A statement that the parties to the farm lease have
31 elected to include or not to include any of the practices
32 described in paragraph "a" as part of the farm lease.

33 3. The parties may use a best farming practices disclosure
34 form prepared by the parties or any other person, if the form
35 satisfies the requirements of the commissioners of the district

1 where the statement is filed. However, the committee shall
 2 adopt a model best farming practices disclosure form that may
 3 be filed in any district. The commissioners shall not file
 4 a best farming practices disclosure form unless it has been
 5 completed and signed by the parties. The filed best farming
 6 practices disclosure form shall continue until the termination
 7 of the farm lease unless the parties otherwise agree.

8 4. *a.* If the farm lease covers farmland located in more
 9 than one district, the requirements of this section are
 10 satisfied if the best farming practices disclosure form has
 11 been filed with the commissioners of any of those districts.
 12 The commissioners of the district where the farmland is located
 13 shall notify the commissioners of the other districts of the
 14 filing.

15 *b.* If a best farming practices disclosure form has not been
 16 filed with the commissioners of any district where the farmland
 17 is located within thirty days after the lease has been entered
 18 into by the parties, the commissioners of that district shall
 19 send a written warning to the parties by ordinary mail stating
 20 that the form must be completed and signed by the parties, and
 21 filed as provided in this section, within thirty days of the
 22 date that the warning was delivered.

23 *c.* If a best farming practices disclosure form has not
 24 been filed with the commissioners of the district thirty days
 25 after the delivery of the warning described in paragraph "b",
 26 the commissioners shall report that fact to the division,
 27 and the division shall recommend to the committee that the
 28 committee impose a civil penalty on one or both parties. The
 29 committee may order one or both parties to pay a civil penalty
 30 for the amount recommended by the division or a different
 31 amount. However, a party shall not pay a civil penalty of more
 32 than five hundred dollars for failing to file a best farming
 33 practices disclosure form. The moneys shall be collected by
 34 the department and deposited into the conservation practices
 35 revolving loan fund established pursuant to section 161A.71.

1 5. This section does not authorize the commissioners of a
2 district or the department to enforce a provision in a farm
3 lease or a best farming practices disclosure form.

4 Sec. 3. Section 161A.71, subsection 1, Code 2022, is amended
5 to read as follows:

6 1. The division ~~may~~ shall establish a conservation
7 practices revolving loan fund composed of any money
8 appropriated by the general assembly for that purpose, moneys
9 collected from civil penalties imposed pursuant to section
10 161A.67, and of any other moneys available to and obtained
11 or accepted by the committee from the federal government
12 or private sources for placement in that fund. Except
13 as otherwise provided by subsection 3, the assets of the
14 conservation practices revolving loan fund shall be used only
15 to make loans directly to owners of land in this state for the
16 purpose of establishing on that land any new permanent soil
17 and water conservation practice which the commissioners of
18 the soil and water conservation district in which the land is
19 located have found is necessary or advisable to meet the soil
20 loss limits established for that land. A loan shall not be
21 made for establishing a permanent soil and water conservation
22 practice on land that is subject to the restriction on state
23 cost-sharing funds of section 161A.76. Revolving loan funds
24 and public cost-sharing funds may be used in combination for
25 funding a particular soil and water conservation practice.
26 Each loan made under this section shall be for a period not
27 to exceed ten years, shall bear no interest, and shall be
28 repayable to the conservation practices revolving loan fund in
29 equal yearly installments due March 1 of each year the loan is
30 in effect. The interest rate upon loans for which payment is
31 delinquent shall accelerate immediately to the current legal
32 usury limit. Applicants are eligible for no more than twenty
33 thousand dollars in loans outstanding at any time under this
34 program. *"Permanent soil and water conservation practices"*
35 has the same meaning as defined in section 161A.42 and those

1 established under this program are subject to the requirements
2 of [section 161A.7, subsection 3](#). Loans made under this program
3 shall come due for payment upon sale of the land on which those
4 practices are established.

5 EXPLANATION

6 The inclusion of this explanation does not constitute agreement with
7 the explanation's substance by the members of the general assembly.

8 This bill amends the "soil conservation districts law" (Code
9 chapter 161A) administered by the division of soil conservation
10 and water quality (division) which is part of the department
11 of agriculture and land stewardship (DALs) with the state soil
12 conservation and water quality committee (committee) housed
13 within DALs (Code section 161A.4). The state is divided into
14 100 soil and water conservation districts (districts) with each
15 district governed by a group of five elected commissioners
16 (Code section 161A.5).

17 The bill provides that before entering into a farm lease,
18 the parties to that lease must complete and sign a best farming
19 practices disclosure form (form) to be part of the lease as
20 an addendum. The form must include a description of erosion
21 control practices, soil and water conservation practices,
22 and water quality practices as approved by the committee and
23 established by rules adopted by DALs. The form must then be
24 filed with the commissioners of the district where the land
25 is located and continues in effect until the farm lease is
26 terminated unless otherwise agreed by the parties. The bill
27 provides for the enforcement of the filing requirement. The
28 commissioners must deliver a written warning to the parties
29 providing the parties 30 days to comply. If the parties do not
30 comply with the filing requirement, the commissioners report
31 that fact to the division which recommends an enforcement
32 action to the committee. A party cannot pay a civil penalty of
33 more than \$500 for failing to file a form. Moneys collected by
34 DALs are deposited into the conservation practices revolving
35 loan fund (Code section 161A.71).